



BUDGET COMMITTEE



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Senator Gregg's Senate Floor Remarks on the Debt and the Doc Fix
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I wanted to rise today to continue the discussion that I've pursued on this floor a few times, and it deals with where our country is going and what we're passing on to our children. I quote often the Chairman of the Budget Committee, because I have immense respect for him -- Senator Conrad from North Dakota. And he has said -- and I agree with him, and I think most Americans when they think about it agree with him -- that the debt is the threat.

The fact is that we as nation are running up this incredible debt, which we're going to pass on to our children. And to try to put it in context is very difficult because the numbers are so huge. I've talked about it numerous times here, about the fact that we're running deficits of approximately \$1 trillion for the next ten years under the President's budget; that we're seeing 5% to 6% of GDP in deficits; and that the debt held by the public goes from about 40% of GDP up to well over 80% of GDP under the most recent estimates.

But these numbers aren't comprehensible to people because they're so big. You're talking about trillions of dollars. But the implication of these numbers are staggering to our next generation, to our children and our children's children, because it means that they have to bear the burden of paying this debt that's going to be put on their backs.

Last week, the deficit of this last fiscal year was pegged at about \$1.4 trillion, an incredible amount, three times the largest deficit in our history in numeric terms. We haven't had those types of numbers since World War II. Nobody is arguing that the deficit is not something we don't like but probably have to tolerate because of the fact that we have been through this very difficult situation with the recession and the potential meltdown of our financial houses, and it took a lot of money to try to stabilize the situation, and I'm not holding that against this Presidency at all.

But as we go forward, we're seeing these deficits expand. There's no reason to maintain that type of deficit once we're past this recessionary period, once the financial situation has been worked out. And for all intents and purposes, the deficits should be coming down, but they aren't. And today we're about to see one of the reasons why they aren't coming down, because today it is being proposed that we add another \$250 billion to the debt by doing something called the doctors' fix and not paying for it.

It's not an extraordinarily complicated issue. Basically, we don't reimburse doctors at a rate that they should be reimbursed at under Medicare because of a rule that we passed back in the 1990's. They get cut arbitrarily and in a way which has no relationship to what is the proper reimbursement rate. So every year since we passed that rule -- and it turned out it wasn't going to

work right -- we have corrected that. We have reimbursed the doctors at a reasonable payment, but every year we have done that we have paid for that change so that that cost of reimbursing doctors fairly did not get passed to our children.

How does that work? When somebody goes to get an eye exam today who is in their 80's or 70's or 60's and is on Medicare, when they get the bill from the doctor, what you're essentially saying is, "Oh, I'm sorry. The government of today is not going to pay that. We're going to take that bill and give it to some child that's not even born." How absurd. An expense today should be paid today by the government and the current taxpayers today.

And yet proposed today on this floor -- and by this Administration -- is that we should spend \$250 billion to correct this doctor-fix problem for the next 10 years -- which is about what it'll cost -- but not pay for it. Just simply take it, send the bill off to our kids. It's actually more than \$250 billion. Because that \$250 billion, when you put it on the debt, that's going to generate interest responsibilities of about \$50 billion so it actually becomes a \$300 billion item. That's not small change. That's a third of \$1 trillion. That's huge money. That's a tremendous burden to transfer over to our children.

Why is this being done? Well, it's being done for a very cynical reason. It's being done so that the health care reform package, which is being discussed somewhere in this building behind closed doors, being written in some office over on that side of the Capitol with three or four members of the Senate and a lot of staff on the Democratic side, with no participation by Republican members and no participation by the American people, and the press is totally locked out of the room. But that bill is being rewritten over there. But we do know the parameters of that bill are that there is a representation that it won't cost more than \$900 billion over a ten-year period.

The most significant and most cynical and most inappropriate action is this idea that they're going to take \$250 billion to fix the doctors' reimbursement program, which is clearly part of health care, and move it entirely out of the health care system reform effort, move it over here somewhere and claim that you don't have to pay for it, you just send the bill to the kids. Don't worry about it. It's only \$250 billion, \$300 billion. Don't worry about it. Just send the bill to the kids. And then voila! You have \$250 billion that you can spend on health care reform that you should have been spending on the doctors' fix, but now since you claim the doctors' fix doesn't matter -- it is over here somewhere out of sight, out of mind; it's being taken care of by our children and grandchildren -- voila! You can spend that \$250 billion on goodies, on initiatives within the new health care reform bill, which will cost taxpayers \$250 billion more in order to do. And hopefully, I presume, get a few constituents to support you because you've just spent \$250 billion on them. The true cynicism of this is that it doubles the doctors' fix cost. Not only does the doctors' fix not get paid for, but you then create \$250 billion of other new spending.

So you're actually doubling up this whole exercise. And it's a doubling down event. You know, it's almost a Bernie Madoff approach to funding. This is basically an entire scam. Unfortunately, in this instance -- and obviously in the Bernie Madoff instance, the people that invested with him were wiped out; but they made a choice to invest with him -- our children and grandchildren are going to get this bill without any rights. This \$250 billion bill is going to be sent to them and then the spending is going to occur, which they're also going to have to pay, too, which is going to be added on top of the health care bill. It is "Bernie Madoff comes to Washington" and does our budgeting for us. And it's inexcusable that we would do this to the next generation.

Now, some are suggesting, well, let's do a one-year or two-year fix. This was the original plan of Senator Baucus in his bill. And let's just sort of ignore the fact that the doctors' problem exists for

the next ten years, even though we're going to do a ten-year health care reform bill here. What's the effect that has? Well, yeah, at least for one or two years you pay for it. That was the proposal in the original bill that came out of the Finance Committee. One year, I believe, they paid for it. Nine years they didn't pay for it.

What does that mean? One year paid for was \$11 billion, I think. So we know the cost of the whole thing for ten years is \$250 billion. So what they got was \$239 billion that they got to spend under the Baucus bill as it came out of the Finance Committee because they just simply ignored the concept that the doctors' fix had to be done, too. That also is a pretty cynical act. Not as cynical as the idea that you're going to pass the whole \$250 billion fix and not pay for it any of it, which is what we'll be voting on later today. But still pretty cynical. You're spending \$239 billion which you know that you don't have. You know you don't have the money but at least you admit that it is there. You don't try to pass the whole bill off to our children.

So, as we go forward here in this health care debate, let's have no more sanctimonious claims that we're being fiscally responsible and producing bills that are in balance and don't add to the deficit. Not when you put a \$250 billion I.O.U. on our children's back. It is totally inappropriate.

Mr. President, I yield the floor.